

JUDGE SCHOFIELD

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

19 CV 03589

19 Civ. () _____

JURY TRIAL DEMANDED

LAURA VENTOSO

Plaintiffs,

-against-

BILL SHIHARA individually and
BITTREX, LLC. a Nevada corporation,
BITTREX, INC. a Delaware
corporation.

Defendants.

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COMPLAINT

Plaintiff LAURA VENTOSO ("Ventoso"), hereby sue and makes the following allegations against Defendants BITTREX, INC., a Delaware Corporation ("Bittrex"); BILL SHIHARA, an individual ("Shihara"); BITTREX, LLC., a Nevada Corporation ("Bittrex"), collectively ("Defendants"), In support thereof, Plaintiffs state as follows:

SUMMARY OF ALLEGATIONS

1. This action is brought by Ventoso an account holders of Bittrex, at all material times, the Defendants operates an online business for general consumers and the public to exchange, invest, and trade digital cryptocurrencies, Tokens and Fiat currency of different denomination.
2. Mrs. Ventoso seek damages based upon the unlawful conduct of the Bittrex Defendants in misappropriating Plaintiff's funds, denying Ventoso the ability to access, exchange, whidrawn her funds held at Bittrex accounts ("Bittrex-wallets") and attempted extortion.
3. Bittrex is an unregistered Cryptocurrency, commodities, securities and sovereign-currency exchange accessible at the URL (Bittrex.com), and its operator, Shihara is a Co-Founder and Chief Executive Officer(CEO) of Bittrex
4. Shihara also sold unregistered securities that lost value rapidly, that purported to be investments in the exchange, which Shihara also misappropriated investor funds.
5. Plaintiff seek damages based upon the unlawful conduct of Bittrex Defendants fraud-scheme.

6. Defendants headquarters are in Seattle since 2014,
Bittrex was legally incorporated in the state of Nevada
in 2015 almost a year after started to operate
7. Bittrex has manage to infiltrate most of United
State, and some European, African and Asian countries,
and until recently Bittrex is/was allowed to operate
in the the State of New York, but that changed on
April 10, 2019 when the NEW YORK STATE DEPARTMENT OF
FINANCIAL SERVICE(the "NYSDFS") revoked Bittrex's
right to operate in NY State until then operated under
"safe harbor" during the pendency of a license
application, the NYSDFS notice informed the Defendants
they have 14 days to cease the operations April 24,
2019 and was to provide an exit plan for the 35,000
New York users, the NYSDFS also denied Bittrex's
application dated August 10, 2015 to engage in Virtual
Currency Business Activity pursuant to 23 New York Codes,
Rules and Regulations ("NYCRR") Part 200 and to its
application dated July 27, 2018 to engage in money
transmission activity pursuant to Article 13 B of the New
York Banking Law, the NYSDFS notice read:

"Based on the Department's extensive review of the information submitted and the Department's recent review of Bittrex's operations, the Department hereby denies the applications due to the applicant's failure to demonstrate that it will conduct its business honestly, fairly, equitably, carefully and efficiently within the purposes and intent of the provisions of Title 23 NYCRR Part 200 and Article 13-B of the New York Banking Law, in a manner commanding the confidence and trust of the community."

Full Rejection Notice (Exhibit A)

8. Bittrex gave a series of interviews and social media postings with false statements after the NY License rejection which forced Shirin Emami, the Executive Deputy Superintendent for banking at the New York State Department of Financial Services to respond:

"Bittrex purportedly aims to get the facts straight about the denial of its license applications by the New York State Department of Financial Services (DFS) in recent statements to the media (including CoinDesk). But, the cryptocurrency exchange leaves out the context necessary to understand its failures to comply with DFS's licensing requirements, it continues to misstate the facts and it presents a misleading picture about

the denial.

First, Bittrex claims that DFS did not provide guidance to the company and that the company's applications sat on DFS's desk "for years." These statements are untrue

Bittrex either misunderstands or misrepresents the meaning of guidance from a regulator in the context of a license application. DFS's guidance consists of informing an applicant of the regulatory requirements for a license and pointing out deficiencies that need to be addressed before a license is granted. The corrective work to address deficiencies remains the applicant's responsibility.

Throughout the application process, Bittrex was repeatedly informed of the regulatory requirements for the licenses it sought and provided with letters describing its deficiencies so the company could address them. Instead, the company spent many rounds of interaction with DFS either promising compliance and failing to deliver it, or trying to persuade DFS that, unlike our other regulated firms, it did not have to comply....."

Full response and Bittrex False statements (Exhibit B1,B2,B3)

9. Bittrex currently has a approximately 1.65 Million

users around the world and experiences 24 hour trading volumes of just under \$300MM.

10. Bittrex exchange processed over 100 million transactions annually during 2017 and 2018, and per Bloomberg's news article published on March 2018, *"cryptocurrency exchange are the most lucrative business today, and the top 10 exchanges make \$3 Million a day in fees and \$1 Billion a year."*
11. Account holders deposited Cryptocurrency or Fiat currency into virtual currency wallet maintained by Bittrex, Shihara's virtual currency exchange, users' funds were commingled in personal Bittrex-wallets, which Shihara controls at all times.
12. Throughout this period, Defendants misappropriated Cryptocurrency and Fiat currency belonging to users by restraining user's right trade, removing the user rights to access their Bittrex-wallets, blocking and cancelling account holders withdrawals of funds and in some cases even preventing account holders access to the Bittrex platform as was done to Plaintiff, Bittrex also conducted a scheme of "pump and dump" tokens and cryptocurrency among others.

13. In late 2017, Bittrex exchange practices started to create a media buzz, in US and Europe serious questions raised regarding the authenticity of Bittrex exchange, to many the operation of Bittrex appear to be a Ponzi-Scheme, but public blogs that expressed concerns regarding Bittrex wrongdoings seem to disappear very quickly from search-engines and more often users who participated on blogs about Bittrex got kick out or even their access to the blogs got revoked. A well known media magazine, Business Insider, released an article in December 15, 2017 title **"Under-fire crypto exchange Bittrex is hiring 2 ex-government security officials and a former Amazon exec"** (Full article Exhibit C)

Business Insider headlines:

- Bittrex hires two former Homeland Security officials and Amazon security chief as executives.
- Bittrex was criticised by customers over withdrawal and customer service issues.
- Business Insider has also reported on the existence of "pump and dump" scams on the exchange

the article continued by describing the hierarchy of the former public servants and Amazon executive

- **Kiran Raj as chief strategy officer:** Raj was a partner at law firm O'Melveny & Myers and was formerly the Deputy General Counsel of the Homeland Security Department. He has also worked at the Justice Department.
- **John Roth as chief compliance and ethics officer:** Roth was Inspector General of the Department of Homeland Security prior to joining Bittrex and spent 25 years at the Justice Department.
- **Jim Waschak as chief operating officer:** Waschak is a 12 year veteran of Amazon, most recently serving as director of information security for Amazon's Worldwide Consumer Organization.

The senior appointments come at a time when Bittrex is facing criticism from customers and grappling with the problem of market manipulation on its exchange.

14. Factually after the former homeland security and Amazon executive got hired by Shihara the media scandal over Bittrex became silence, and despite of many user's complaint to the media and US regulators, Shihara and Bittrex continued the usual practices.

15. Over the course of approximately four months,

beginning on early August 2018 and through November 18, 2018, the Defendants engaged in the Cryptocurrency misappropriation of Mrs. Ventoso's Bittrex-wallets, which was valued at the time of Shihara and Bittrex misappropriation an approximate \$120,000.00

16. Shihara and Bittrex failed to explain why Ventoso's account was disabled after Mrs. Ventoso had provided all required information, including her Social Security, US Passport, driver license, address, and Mrs. Ventoso initial account funding of Bittrex was a wire-transfer from Plaintiff personal Bank of America account to Bittrex account to Silver Savings Bank for \$120,000.00 US Dollars.

17. Plaintiff funds got release late November, Mrs. Ventoso contacted Bittrex for months without any results she was forced to hire representatives who contacted Bittrex and demanded an immediate access to Mrs. Ventoso Bittrex-wallets, in the process the representatives outlined the many Federal Laws violations by Bittrex.

18. Still Shihara and Bittrex seem not to care about breaking the law and refused to release Mrs. Ventoso's funds unless Plaintiff signed an agreement which will

prevent Mrs. Ventoso from taking legal action against Shihara and Bittrex, a extortion technique which plaintiff rejected,

19. Mrs. Ventoso was granted access to her Bittrex-wallets only after various reporters including Forbes Magazine, Reuters, New York times and other were informed by her representatives of the illegal practices of the Defendants which granted Bittrex a legal action for misappropriation and extortion.

20. By the time Mrs. Ventoso was able to access Bittrex-wallets the value of the cryptocurrency held had diluted to about \$50,000 USD with a loss of \$70,000 USD. Plaintiff was deny access to her Bittrex-wallets and account, to exchange and exit cryptocurrencies for almost 4 months.

21. Shihara continues to operate Defendants while misleading users that Bittrex is a reliable platform.

22. Bittrex continues to solicit and accept Cryptocurrency and or Fiat deposits from new users, earn site fees, and misappropriate users' funds

23. Furthermore, starting a day after the NYSDFS denied Bittrex a license, Bittrex held various a series of

funding requests which raised approximately \$310 Million Dollars to the Defendants, as per CrunchBase website, (Exhibit E).

24. In early 2019 Defendants launched a new platform, Bittrex International a Malta based entity, and try to rebrand Initial Coin Offerings (ICO) which are now heavily regulated by the Securities and Exchange Commission after the many fraudulent uses of ICOs, Bittrex renamed ICO as Initial Exchange Offering (IEO) and conducted its first round of funding, "The IEO sellout time of 10.4 seconds saw 855 people bag 70 million \$VBK for a total of \$7m in BTC"

(Exhibit F1, F2, F3)

25. Up to date many Bittrex account holders continue to experience months long problems withdrawing cryptocurrency, funds or even accessing their Bittrex-wallets, which Shihara attributed to technical problems with Defendants' system and Cryptocurrency and or Fiat software in general.

26. In reality, and what we are about to demonstrate is a serious financial fraud, the account holders cryptocurrency only exists inside the Bittrex-wallets and per the amount of transactions recorded the Defendants

does not hold sufficient Cryptocurrency to cover amounts owed to its account holders.

27. Bittrex should have been shining examples of the fundamental tenet of cryptocurrency: that without governmental regulation, a community of users can create and self-regulate a form of currency that serves as a viable - if not preferred -- alternative to traditional, government-backed currency.
28. Furthermore, Bittrex should have been a validation of proof of concept: that a digital currency exchange is a legitimate business operation. However, Bittrex instead proved that the loosely regulated, if not unregulated, cryptocurrency industry is still a haven for criminal activity.
29. As the facts demonstrate, an unregulated community is ripe for abuses; and even the purportedly upstanding members of that community - no matter how right-minded and honorable they appear to be on the surface - are prone to engage in criminal activity when they think they won't be caught.
30. Plaintiff, seek compensatory damages, exemplary and punitive damages where appropriate and allowed, and an

injunction enjoining the continuation of Defendant's unlawful conduct.

PARTIES

31. Plaintiff Ventoso, age 46, is an individual Investor domiciled in New York City, New York and is *sui juris*.
32. Defendant William Shihara, age 43, resides in Seattle, and is Co-Founder and CEO of Bittrex. He was previously a Security Engineering Manager at Amazon, and Manager of Security Threat Analysis and Security Engineering at BlackBerry. Worked at Microsoft Security team. Shihara has never been associated with any entity registered with the Commission.
33. Defendant Bittrex is Headquarter in Seattle since 2014 although Bittrex, LLC., was incorporated on the state of Nevada on August 05, 2015 by Brett Campbell CPA, Ltd, the same corporation was terminated on July 17, 2019 and again incorporated the same day under the name Bittrex, Inc., with Delaware Jurisdiction, by C T Corporation system on New York County.

JURISDICTION AND VENUE

34. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1332, See 28 U.S.C. § 1332(a) and 1332(d)(2)(A). This Court also has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367
35. This Court also has subject matter jurisdiction over Plaintiff's New York law fraud claim pursuant to 28 U.S.C. §§ 1332(a)(1)-(2), because the parties are completely diverse and the amount in controversy exceeds \$75,000.
36. Venue is proper pursuant to 28 U.S.C. § 1391 in that:
- (a) Defendants substantial part of the events or omissions giving rise to the claims set forth herein occurred in this judicial district, and (c) a substantial part of property that is the subject of the action is situated in this judicial district.
37. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) and 15 U.S.C. §§ 77v and 78aa, because

Defendants are found, and/or reside, and/or are inhabitants of, or transact business within this District. Venue is also proper in this District because many of the acts and transactions giving rise to the violations of law complained of herein occurred in this District

FACTUAL ALLEGATIONS

38. Cryptocurrency is a virtual currency that may be traded on online exchanges for conventional currencies, including the U.S. dollar, or used to purchase goods and services online. Cryptocurrencies don't have single administrator or central authority or repository
39. Token refer to digital assets issued and distributed on the Ethereum Blockchain using mainly ERC20 protocol, which is the standard coding protocol currently used by a significant majority of issuers in Initial Coin Offerings ("ICOs").
40. Some ICOs are "securities offerings, and fall under the SEC's jurisdiction of enforcing federal securities

laws" Securities Exchange Commission.

41. Bittrex is an online platform that allows buyers and sellers to trade cryptocurrency, commodities, fiat currency, and certain digital assets - Ethereum "ERC20 tokens" some qualifying as securities in the USA.
42. Bittrex is registered with the Financial Crimes Enforcement Network ("FinCEN") -- a bureau of the United States Department of the Treasury -- as a Money Services Business. Bittrex, as a Money Services Business, is obligated, *inter alia*, to keep certain financial records and allow free and unfettered access to consumer accounts, Bittrex has failed to do that.
43. Bittrex solicited members of the public to register new accounts, deposit Fiat, token or other cryptocurrency, and thereafter actively engage in the exchange and trade.
44. After a new user account was created, the user was designated with multiple unique Bittrex-wallets for each type of currency (Cryptocurrency, Fiat, Tokens)
45. A user's account, once populated with a currency, cryptocurrency, fiat or token one could buy, sell, or trade in alternative cryptocurrencies. Account holders

can buy in what is being named markets listed in Bitcoin (BTC), Ethereum (ETH) , US Dollar (USD). As payment for its services, Bittrex took commissions on all transactions that initiated through the Bittrex Platform.

46. Bittrex's self-described "temporary" account suspension of Plaintiff's user account revoke access to Bittrex Platform, Bittrex-wallets, exchange or withdraw of funds.
47. During the time that Bittrex suspended the plaintiff user account, caused an immense hardship.
48. Ventoso account suspension accounted for a loss of more than \$70,000.00 US Dollars.
49. Bittrex approved Mrs. Ventoso user account July 6th, 2018. (Exhibit G-1)
50. Bittrex received Mrs. Ventoso's \$120,000 USD to in July 12th 2018. (Exhibit G-2)
51. Bittrex suspends Mrs. Ventoso's account, and misappropriated the funds in Early August, 2018.
52. Bittrex withheld access to Mrs. Ventoso user account and attempted extortion by withholding her funds unless she sign a contract agreement to prevent Plaintiff to sue Bittrex.

CAUSES OF ACTION

COUNT I - VIOLATION OF

**NEW YORK'S DECEPTIVE AND UNFAIR TRADE PRACTICES ACT,
NY Gen Bus L § 349**

[AGAINST BILL SHIHARA, BITTREX, LLC., AND BITTREX, INC.]

Plaintiffs re-allege, and adopt by reference herein,
Paragraphs 1 - 52 above, and further allege:

Article 22-A - (349 - 350-F-1) CONSUMER PROTECTION FROM
DECEPTIVE ACTS AND PRACTICES 349 - is to be liberally
construed to protect the consuming public, such as
Plaintiffs in this case, from those who engage in unfair
methods of competition, or unconscionable, deceptive or
unfair acts or practices in the conduct of any trade or
commerce.

Plaintiff "consumers" within the meaning of NY Bus L § 349

Defendants engaged in "trade and commerce" within the meaning of NY Bus L § 349

The FTC has found that a "deceptive act or practice" encompasses "a representation, omission or practice that is likely to mislead the consumer acting reasonably in the circumstances, to the consumer's detriment."

The federal courts have defined a "deceptive trade practice" as any act or practice that has the tendency or capacity to deceive consumers and have defined an "unfair trade practice" as any act or practice that offends public policy and is immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers.

Defendants' acts and omissions of representing to Plaintiffs that, among other things, Defendants would safeguard Plaintiffs' funds constitute both deceptive and unfair trade practices because the false representations and omissions made by Defendants have a tendency or capacity to deceive consumers, such as Plaintiffs, into unwittingly providing the property that fueled Defendants' fraudulent exchange scheme and are immoral, unethical,

oppressive, unscrupulous, or substantially injurious to consumers.

As a result of Defendants' deceptive trade practices, Plaintiff was deceived into transferring her \$120,000 to Defendants to trade and invest producing returns, that was never delivered. The way the Defendants had their scheme rigged, Plaintiffs will most likely never receive fair (if any) monetary profit for her funds -- thus causing significant economic damage to Plaintiffs.

The materially false statements and omissions as described above; and the fact that Defendants perpetrated upon Plaintiffs a sham transaction; were unfair, unconscionable, and deceptive practices perpetrated on Plaintiffs which would have likely deceived a reasonable person under the circumstances.

COUNT II - COMMON LAW FRAUD

And 23 CRR-NY 200.9 NY-CRR

(Against All Defendants)

Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 52 above, and further allege:

This Count is asserted against Defendants BILL SHIHARA, BITTREX, LLC., BITTREX, INC.

By virtue of the conduct alleged herein, Defendants engaged on fraud 23 CRR-NY Section 200.9 (c) ¹

Defendants, by acts of both omission and commission, made false statements to Plaintiffs concerning material facts about their exchange including, inter alia, that Plaintiffs would be able to trade 24/7 so Plaintiffs could dispose of her cryptocurrency as she saw fit, which included the ability for Plaintiffs to then sell on the open market for value. The aforementioned representations were made by Bittrex Website and Bittrex representative

Defendants knew at the time the statements were made that the statements were false.

Defendants intended that Plaintiff would be induced into action by relying upon the statements of fact made to them by Defendants.

¹ 23 CRR-NY 200.9 NY-CRR

OFFICIAL COMPILATION OF CODES, RULES AND REGULATIONS OF THE STATE OF NEW YORK
TITLE 23. FINANCIAL SERVICES CHAPTER I. REGULATIONS OF THE SUPERINTENDENT OF
FINANCIAL SERVICES PART 200. VIRTUAL CURRENCIES

In the course of transferring funds to Defendants and entrusting Defendants to properly return when requested, Plaintiff reasonably and justifiably relied on the statements of fact made to them by Defendants.

49. As a direct and proximate result of Plaintiff' reliance on the statements made to them by Defendants, Plaintiff have suffered damage.

COUNT III - VIOLATION OF NEW YORK'S

CIVIL THEFT STATUTE N.Y. Penal Law §155.05 to 155.40

[AGAINST BILL SHIHARA, BITTREX, LLC., AND BITTREX, INC.]

Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 52 above, and further allege:

In New York, larceny occurs when a person "wrongfully takes, obtains or withholds" property from its rightful owner, like the Defendants did , with the intent to deprive the owner Plaintiff of such property. (N.Y. Penal Law § 155.05.)

New York laws also identify a number of specific methods of committing larceny, including: taking property by extortion. (Penal Law § 155.05.)

By Virtue of the conduct alleged herein, Defendants engaged in conduct constituting Larceny as define in section New York Penal Law - PEN § 155.05 (2)(e) Larceny²

In the Defendants case, Theft as Grand Larceny in the Second Degree. *"If the value of the property or services stolen exceeds \$50,000, or if the offender obtains the property through certain types of extortion, the offense is grand larceny in the second degree, a class C felony. N.Y. Penal Law § 155.40"*

Defendants knowingly obtained or used, or endeavored to obtain or use, Plaintiffs' property with "felonious intent," either temporarily or permanently, to deprive Plaintiffs of her right to or a benefit from the property

² New York Consolidated Laws, Penal Law - PEN § 155.05 Larceny

Larceny includes a wrongful taking, obtaining or withholding of another's property, with the intent prescribed in subdivision one of this section, committed in any of the following ways: By extortion. A person obtains property by extortion when he compels or induces another person to deliver such property to himself or to a third person by means of instilling in him a fear that, if the property is not so delivered, the actor or another will:

or appropriate the property to Defendants' own use or to the use of any person not entitled to the property.

Between September 2018 up to October 2018, Plaintiffs presented Defendants written demand for either the prompt return of Plaintiffs' property or allow to Plaintiffs access to that property which was ignored.

As of the date of filing this lawsuit -- which is more than thirty (30) days after the date on which the written demand was served -- Plaintiff's demands for return of the stolen property have gone unfulfilled, as Defendants have not delivered to Plaintiffs the monetary value of Plaintiff's account when misappropriated by the Defendants.

As a direct and proximate result of Defendants' actions and omissions, Plaintiffs have suffered damage.

RESERVATION OF RIGHTS

53. Plaintiff, reserve the right to further amend this Complaint, upon completion of their investigation and discovery, to assert any additional claims for relief against Defendants or other parties as may be warranted

under the circumstances and as allowed by law.

PRAYER FOR RELIEF

54. WHEREFORE, Plaintiffs Laura Ventoso prays for relief and judgment as follows:

55. A declaration from this Court that this action is a proper;

56. A judgment awarding Plaintiffs restitution, including, without limitation, disgorgement of profits and unjust enrichment that Defendants obtained as a result of their unlawful, unfair, and unlawful business practices and conduct;

57. Preliminary and permanent injunctive relief compelling Bittrex to honor its account holders' demands for withdrawal of funds -- whether they be in the form of cryptocurrencies or in the form of cash -- from their respective Bittrex accounts;

58. Requiring an accounting of Bittrex finances and assets

- raised in the United States of America since its creation by an independent auditor appointed by this court ;
59. Imposing a constructive trust over the funds and assets of Bittrex until a full investigation is complete by an independent auditor assigned by this court.
60. Ordering rescission of the investments made by Plaintiff in Bittrex, and/or compensatory damages in an amount in excess of \$70,000 US Dollars ;
61. Awarding Plaintiff pre-judgment interest at the statutory rate of 9% pursuant to CPLR §§ 5001 & 5004, which as of January 31, 2019 amounts to \$6,003;
62. Awarding Plaintiff's Non-For-Profit of choice \$100 million in punitive damages to develop a National Regulatory Code of Cryptocurrency and Token, on account of Defendants' intentional, deliberate, malicious, willful, and wanton conduct as alleged above;
63. An injunction preventing BILL SHIHARA from disposing of any asset and the proceeds of any sale until the financial audit and investigation is complete thereof;
64. Granting such other and further relief as this Court may deem just and proper.
65. Awarding Plaintiff, the cost of this action, including

reasonable allowance for Plaintiff's attorneys',
representatives' and experts' fees; and

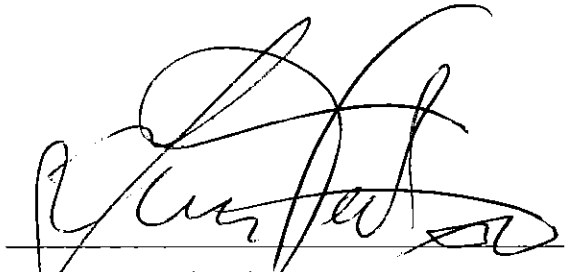
66. Granting such other and further relief as this Court
may deem just and proper.

67. Prejudgment And Postjudgment Interest;

JURY TRIAL DEMANDED

Pursuant to Fed. R. Civ. P. 38(b), Plaintiff hereby demands a
trial by jury in this action of all issues so triable.

Date: New York, NY
April 22, 2019

A handwritten signature in black ink, appearing to read 'Laura Ventoso', is written over a horizontal line.

ProSe Plaintiff Laura Ventoso
140 West 69th Street Apt 72A
New York City, NY 10023
(646) 770-7526
Email: LauraVentoso@gmail.com

With the Assistance of:

PEOPLES' RIGHTS
And Thomas Lee
220 East 42nd Street 24 FL
New York, NY 10017

Exhibit A



NEW YORK STATE
DEPARTMENT of
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Linda Lacewell
Acting Superintendent

April 10, 2019

Via Certified Mail (Return Receipt Requested) & Email

Bill Shihara, Chief Executive Officer

Bittrex, Inc.
Seafirst Fifth Avenue Plaza
800 5th Avenue, Suite 4100
Seattle, WA 98104

600 Bellevue Way NE
Suite 200
Bellevue, WA 98004

Re: Application of Bittrex, Inc. for a License to Engage in Virtual Currency Business Activity Pursuant to Part 200 of Title 23 of the New York Codes, Rules and Regulations, and to Engage in Money Transmission Activity under the Article 13-B of New York Banking Law

Dear Mr. Shihara:

Reference is made to the Bittrex, Inc. ("Bittrex") application dated August 10, 2015 to engage in Virtual Currency Business Activity pursuant to 23 New York Codes, Rules and Regulations ("NYCRR") Part 200 and to its application dated July 27, 2018 to engage in money transmission activity pursuant to Article 13-B of the New York Banking Law.

As you are aware, Bittrex has been engaged in Virtual Currency Business Activity in New York under the terms of a "safe harbor" permitted by the New York State Department of Financial Services ("the Department"). The Department, in recognition of the innovative and evolving nature of the virtual currency sector, permitted applicants to engage in Virtual Currency Business Activity under a "safe harbor" during the pendency of a license application. As you are also aware, throughout Bittrex's application process, the Department worked steadily with Bittrex to address continued deficiencies and to assist Bittrex in developing appropriate controls and compliance programs commensurate with the evolving nature of the sector. Since the submission of Bittrex's application, the Department has issued several deficiency letters, among others, regarding Bittrex's Bank Secrecy Act /Anti-Money Laundering ("BSA /AML") and Office of Foreign Assets Control ("OFAC") compliance requirements, and coin listing process. It further has extensively engaged with Bittrex to outline the necessary steps to satisfy the Department's licensure requirements. Due to the number of unresolved items, in February 2019, a team of examiners from the Department conducted a four-week on-site review of Bittrex's operations at the company's Seattle and Washington, D.C., offices. This included a sampling of transactions dated between January 1, 2017 and December 31, 2018.

Title 23 NYCRR Part 200 requires an applicant for a virtual currency license to demonstrate the "ability to comply with the provisions" of licensing requirements. This includes implementing an effective

Exhibit A

BSA/AML/OFAC compliance program (as well as other measures) to protect customers and the integrity of the virtual currency markets. Title 23 NYCRR Part 200.6 and Article 13-B of the New York Banking Law direct the Department to investigate the financial condition and responsibility, financial and business experience, and character and general fitness of an applicant for either a money transmitter or virtual currency license.

Based on the Department's extensive review of the information submitted and the Department's recent review of Bittrex's operations, the Department hereby denies the applications due to the applicant's failure to demonstrate that it will conduct its business honestly, fairly, equitably, carefully and efficiently within the purposes and intent of the provisions of Title 23 NYCRR Part 200 and Article 13-B of the New York Banking Law, in a manner commanding the confidence and trust of the community. The Department's determination was based primarily on the following: deficiencies in Bittrex's BSA/AML/OFAC compliance program; a deficiency in meeting the Department's capital requirement; and deficient due diligence and control over Bittrex's token and product launches.

A. INADEQUATE BSA/AML/OFAC COMPLIANCE PROGRAM

To prevent illegal money laundering and the evasion of economic sanctions put in place to support U.S. national security objectives, the Department requires an entity's BSA/AML/OFAC compliance program to include, at a minimum, the following:

- Risk-based internal policies, procedures and controls to ensure ongoing compliance;
- A designated compliance officer with appropriate level of authority and responsibility;
- Training of employees with respect to BSA/AML/OFAC compliance;
- Independent testing of the compliance program; and
- Risk-based procedures for conducting customer due diligence, including the development of customer risk profiles and procedures to verify the beneficial owners of corporate customers.

Bittrex's BSA/AML/OFAC compliance program fails to meet these requirements as follows:

1. Inadequate Internal Policies, Procedures and Controls:

Bittrex's current policies and procedures are either non-existent or inadequate. For example, they do not provide for a strong framework of controls and monitoring to timely detect and report suspicious activities and interdict on a real-time basis all prohibited transactions in compliance with OFAC requirements. Bittrex's policies and procedures also do not contain clear guidance for selecting transactions for review, or what process will be taken to review an alert for a Suspicious Activity Report (SAR) filing or closing of an account.

No BSA/AML/OFAC compliance program would be adequate or effective if it were not based on a comprehensive risk assessment of an entity's operations, customers and geographies. Bittrex's risk assessment does not comprehensively assess the risks associated with its cryptocurrency activities, products offered, nor its customer base or geographies of operation. It also does not contain an analysis of the methodology used to support any of the ratings given to the risk areas assessed, including a "moderate" risk rating assigned to its BSA/AML/OFAC compliance program.

Bittrex's OFAC compliance procedures lack a robust process to remain up-to-date with current OFAC lists. The OFAC lists are continually updated to include all entities, such as terrorist groups and foreign regimes, subject to U.S. sanctions. Also, Bittrex's screening process does not use available technologies that would

Exhibit A

identify the misspelling of names, typographical errors and variations of foreign names. During the February review of Bittrex's operations, the Department's examiners found that due to such inadequacies, a large number of transactions for customers domiciled in sanctioned countries (including Iran and North Korea) had passed through screening and were processed. Additionally, Bittrex has developed certain practices that are inconsistent with its existing policies and procedures, such as excluding corporate and cash customers from its transaction monitoring.

Further, Bittrex's transaction monitoring and sanctions compliance program is based on manual processes rather than readily available automated processes. For example, Bittrex has developed 21 filtering or detection scenarios for monitoring and detecting suspicious activities. However, its manual transaction monitoring does not incorporate all 21 filtering or detection scenarios in its alert review process for potential SAR filings. Furthermore, while the manual program outlines certain processes for decision making regarding SAR filings, such as closing of accounts or approvals, these processes have been inconsistently applied and a sample of SARs filed demonstrated clear deficiencies. Also, a review of sample transactions by the Department's examiners has revealed inconsistencies with, and violations of, Bittrex's own policies and procedures. This includes the violation of Bittrex's multiple account policy, as well as inadequate quality control of transactional data. As such, Bittrex's compliance program is clearly deficient particularly given that Bittrex has a customer base of approximately 1.67 million users spread across multiple countries (including approximately 35,000 New York-based users), offers 212 cryptocurrencies on its exchange and processed over 100 million transactions annually during 2017 and 2018.

The corporate governance and oversight of Bittrex's Board of Directors is lacking, as partially evidenced by the fact that none of the minutes of the Board of Directors reviewed by the Department's examiners contained any substantive discussion relating to BSA/AML/OFAC issues.

2. Lack of Qualification or Effectiveness of the Compliance Officer:

The severity of the deficiencies in Bittrex's BSA/AML/OFAC compliance program raises significant concerns for the Department as to the experience, level of authority and effectiveness of the Compliance Officer in discharging his responsibilities.

3. Lack of Adequate Training of Employees:

The severity of the deficiencies in Bittrex's BSA/AML/OFAC compliance program is indicative of a lack of a comprehensive training program. The Department's concern regarding the lack of training is compounded as recent hires within the compliance team do not have the requisite BSA/AML/OFAC knowledge or expertise. During their review, the Department's examiners found that BSA/AML/OFAC training was not extended to certain staff who were engaged in filing SARs on a batch basis, which is not permissible.

4. Inadequate Independent Testing of the Program:

Bittrex had retained an external firm to conduct independent testing of its BSA/AML/OFAC compliance program. The firm issued an audit report in January 2019. However, the report failed to reflect the audit review period and failed to assess and evaluate the overall integrity and effectiveness of Bittrex's compliance program. Additionally, Bittrex refused to comply with the request of the Department's examiners to share with them the engagement letter between the external audit firm and Bittrex. A review of the engagement letter would likely have shed additional light on such independent testing, including the scope of the audit.

Exhibit A

5. Inadequate Customer Due Diligence:

Bittrex's Customer Identification Program, Know Your Customer, and Customer Due Diligence are seriously deficient as evidenced by the findings of the Department's examiners during their review of sample transactions. For example, examiners found that a large number of transactions were missing required tax identification numbers, customer names, or birthdate related information. Others reflected missing or inaccurate addresses or contained foreign references without corresponding translations. The examiners also found that a substantial number of aliases (e.g., "Give me my money," "Elvis Presley," "abc-abc," "Donald Duck," and other clearly false names) and obscene terms and phrases are used in identifying accounts at Bittrex. Also, the "Active Customer File" reviewed by the examiners identified several transactions involving customers from OFAC sanctioned countries.

Additionally, Bittrex has contradictory policies or procedures for identifying ultimate beneficial owners of corporate customers. For example, one procedure states that, for non-publicly traded corporate customers, beneficial owners will be determined at a 10% level of ownership. A second procedure contradicts the other by requiring such determination to be set at a 25% level of ownership. During their review, the examiners found that 60% of the sample of the corporate customer files did not contain any evidence of due diligence to determine their ultimate beneficial owner(s).

B. LACK OF ADEQUATE DUE DILIGENCE IN LAUNCHING TOKENS OR PRODUCTS

Bittrex's "Token Review Policy and Process U.S." dated November 7, 2018 provides guidelines for the review and launch of tokens and products on its exchange. However, during the examiners' review of a sample of 15 tokens, they were unable to assess compliance with this policy. This was due to the fact that partial files were provided to the examiners, and moreover, actual compliance in certain files could not be established. For example, in some cases where the token applicants had refused to complete their applications – and in one case where there was no application on file at all – the tokens were nevertheless accepted for trading and allowed to trade.

C. INADEQUATE CAPITAL

Bittrex has not indicated its agreement to comply with the Department's capital requirement.

D. DENIAL OF APPLICATIONS AND CEASE AND DESIST ORDER

Based on the above, Bittrex has failed to demonstrate responsibility, financial and business experience, or the character and fitness to warrant the belief that its business will be conducted honestly, fairly, equitably and carefully within the purpose and intent of Title 23 NYCRR Part 200 and Article 13-B of the New York Banking Law and in a manner commanding the confidence and trust of the community. Therefore, the applications are hereby denied.¹ Effective April 11, 2019, Bittrex must immediately cease operating in New York State and doing business with New York State residents.² Failure to immediately cease such operation

¹ Please also note that the applications are being returned to Bittrex with this letter and that, pursuant to 23 NYCRR § 200.5 and New York Banking Law Article 13-B, the application fees submitted by Bittrex will not be refunded.


² Title 23 NYCRR § 200.21 provides, in part, that an applicant that applies for a license "within 45 days of the effective date of this regulation" shall "be deemed in compliance with the licensure requirements of this Part until it has been notified" that "its application has been denied, in which case it shall immediately cease operating in this state and doing business with New York State Residents."

Exhibit A

and business may subject Bittrex to all applicable penalties for, and enforcement action in regard to, violation of the requirements of Title 23 NYCRR Part 200 and New York Banking Law Article 13-B.

Within 14 days from the date of this letter, please submit to the Department written confirmation that Bittrex has immediately ceased operating in New York State and doing business with New York State residents. In addition, within 14 days from the date of this letter, please provide a plan for how Bittrex plans to wind down its business with existing New York customers. This includes the wind down or transfer of positions and transactions, and the safe custody of assets involving New York residents, as appropriate, within 60 days from the date of this letter.

Sincerely,

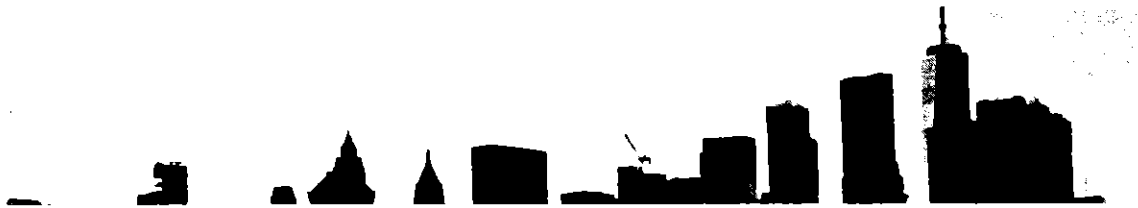
A handwritten signature in black ink, appearing to read 'Daniel Sangeap', written over a horizontal line.

Daniel Sangeap
Deputy Superintendent & Deputy Counsel
New York State Department of Financial Services
One State Street, New York, NY 10004-1511

Exhibit B

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NYDFS: Why We Rejected Bittrex's Application for a BitLicense

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Shirin Emami

Apr 18, 2019 at 19:00 UTC Updated Apr 18, 2019 at 20:40 UTC

OPINION

UPDATE (April 18 20:30 UTC): This article has been updated to include a response from Bittrex at the bottom.

Shirin Emami is the executive deputy superintendent for banking at the New York State Department of Financial Services.

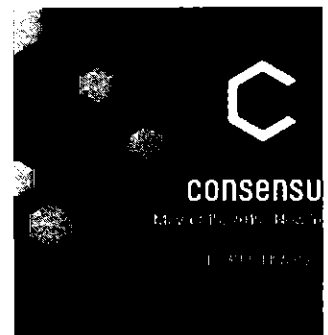
Bittrex purportedly aims to get the facts straight about the denial of its license applications by the New York State Department of Financial Services (DFS) in recent statements to the media (including CoinDesk). But, the cryptocurrency exchange leaves out the context necessary to understand its failures to comply with DFS's licensing requirements, it continues to misstate the facts and it presents a misleading picture about the denial.

First, Bittrex claims that DFS did not provide guidance to the company and that the company's applications sat on DFS's desk "for years." These statements are untrue.

Bittrex either misunderstands or misrepresents the meaning of guidance from a regulator in the context of a license application. DFS's guidance consists of informing an applicant of the regulatory requirements for a license and pointing out deficiencies that need to be addressed before a license is granted. The corrective work to address deficiencies remains the applicant's responsibility.

Throughout the application process, Bittrex was repeatedly informed of the regulatory requirements for the licenses it sought and provided with letters describing its deficiencies so the company could address them. Instead, the company spent many rounds of interaction with DFS either promising compliance and failing to deliver it, or trying to persuade DFS that, unlike our other regulated firms, it did not have to comply.

Bittrex's initial application had many deficiencies, including weak customer due diligence, a lack of transaction monitoring, and an absence of experienced compliance staff. DFS staff repeatedly



communicated to Bittrex the department's concerns regarding these deficiencies. Bittrex repeatedly promised improvements and solutions, but ultimately failed to meet the requirements.

Transaction monitoring

Bittrex's story of a commitment to compliance is wholly undermined by key omissions concerning its long-term transaction monitoring noncompliance. According to an American Banker article, "[the company's chief compliance and ethics officer, John] Roth said the company has a suspicious transaction monitoring process that's partially automated and partially manual. It had been taking steps to fully automate it."

In fact, DFS repeatedly informed Bittrex that it needed a robust transaction monitoring system. After promising that a transaction monitoring system would be implemented well before 2018, Bittrex finally hired compliance staff to create one in early 2018. After nearly a year of work, Bittrex rolled out what turned out to be a manual transaction monitoring system in December 2018, only capable of handling a small volume of transactions, lacking the comprehensive and accurate risk assessment that must underlie any compliance program.

A transaction monitoring system that is not based on comprehensive risk assessment and uses only transaction size to select targets for scrutiny cannot be called a risk-based system. Attempting to pass off a wholly inadequate limited-capacity manual system, while Bittrex was using rapid fire electronic systems to process millions of trades, could only be bad faith or extremely bad judgment.

If Bittrex continues to tout this December 2018 system as in any way adequate after being clearly told of its shortcomings, it is either evidence of an intent to mislead regulators and markets, or evidence of genuine ignorance.

Customer ID

Moreover, Bittrex's grossly inadequate transaction monitoring system is exacerbated by an additional deficiency: incomplete or missing customer identity data.

Without accurate customer names, any pretense at customer due diligence or other compliance, including compliance with Office of Foreign Assets Control (OFAC) sanctions, is a sham.

As to its customer due diligence failures, Bittrex claimed to media outlets that "the fake accounts cited by the regulator were not active ones." But, in fact, more than 70 percent of the "fake name" accounts sampled by DFS had been active accounts at some point, and some still contained funds at the time of DFS's on-site review in 2019 of Bittrex's operations.

More troubling, in a further sample taken to test customer due diligence processes, 39 percent of sampled accounts had no name associated with the account, never had their identification checked, and could not possibly be checked for OFAC or other compliance. When Bittrex delivered its new transaction monitoring system in December 2018, it had solved nothing concerning the defective due diligence, nor did it address the scale of transaction monitoring needed.

Bittrex's gross lack of compliance has consequences. When DFS examiners sampled accounts in 2019, their small sample identified two North Korean accounts. More may exist. At least one North Korean account was active into 2017. At least two Iranian accounts were still active in the Bittrex system when DFS examiners visited Bittrex in 2019, and potentially usable.

Listing criteria

Bittrex also attempts to shirk responsibility for the coins it decides to list on its exchange, stating that some coins are decentralized. This is irrelevant since it ignores the fact that listing decisions are made by Bittrex, which has an obligation to conduct appropriate due diligence on all types of assets, and then obtain approval for them from DFS, as required by the DFS Virtual Currency Regulation.

What's more, Bittrex admitted to using an informal process for coin-listing decisions, without systematic documentation. This is just another example of the company's lackadaisical approach to all aspects of compliance.

Bittrex also objected to DFS's standard supervisory agreement, which contained provisions that have

Exhibit B

provided in communications by CoinDesk
The Piscataway Supply Chains and Markets

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Exhibit B

been applied to all prior applicants, and which are either required by the Virtual Currency Regulation or are an implementation of its provisions. These supervisory agreement provisions require pre-approval of new products, pre-approval of mergers and acquisition transactions, and set forth a capitalization formula that implements the regulation's capitalization requirement.

DFS's 2019 visit to Bittrex was intended to be primarily a review of Bittrex's Bank Secrecy Act (BSA), anti-money-laundering (AML) and OFAC compliance program in the context of its pending applications. It was the final confirmation of the company's inability to meet the regulatory requirements for the licenses it sought.

Bittrex made promises and representations to obtain virtual currency and money transmission licenses in New York, was given every reasonable opportunity by DFS to meet the required regulatory requirements and was denied because it failed to deliver.

Editor's note: In response to this op-ed, Bittrex provided the following statement.

"At its core, the New York DFS is overstepping its regulatory authority and changing rules and guidelines on the fly. The sheer fact of the matter is that, despite all of the supposed concerns the NY DFS has claimed, it was willing to agree to a supervisory agreement with Bittrex and grant a BitLicense in January 2019. It was not until Bittrex attempted to negotiate the proposed agreement – and its regulatory overreach – that the NY DFS took such a combative stance as evidenced by the following actions:

- In an attempted power grab, the NY DFS tried to require things in the supervisory agreement that they otherwise couldn't have asked for under existing BitLicense and Money Transmission License regulations. No other state requires the business-crippling provisions that the NY DFS wanted to implement and Bittrex has successfully worked with regulators to gain license approvals in dozens of other states.
- The NY DFS chose to ignore its own rules to include (Rule 504.3) which allows for "manual or automated" transaction monitoring – and then ignored the fact that Bittrex will have fully automated transaction monitoring by this month.
- The NY DFS chose to hold Bittrex to standards where none previously existed. There are no standards for listing coins by any entity and Bittrex tried to get DFS to provide a standard, but they could not.
- The actions of the NY DFS show that it was focused on retribution, rather than consumer protection. Bittrex continues to deny the use of its platform by any citizens of North Korea or citizens of Iran in 2019. However, if the NY DFS found that evidence as it claims, why did it not share that intelligence with Bittrex in order to remedy or understand the situation?

"By attacking a small company that applied in good faith for a license from DFS, DFS has demonstrated that companies should be wary about sharing information with them.

"In addition, the personal and vindictive nature of the NY DFS's actions is apparent and it, unfortunately, will only hurt the ability of New York consumers to leverage the benefits of blockchain technologies. Bittrex looks forward to working with customers and regulators across the United States and around the world where we are currently providing safe, secure and innovative digital trading platforms."

New York skyline image via Shutterstock.

Exhibit B-2

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New York Rejects Bittrex Exchange's BitLicense Application



Nikhilesh De

Apr 10, 2019 at 17:16 UTC Updated Apr 10, 2019 at 21:21 UTC

NEWS

The New York Department of Financial Services rejected Seattle-based crypto exchange Bittrex's application for a BitLicense Wednesday.

In a letter published by NYDFS, the NY regulator explains that a number of factors contributed to the rejection, the first such action in two years.

"Throughout Bittrex's application process, the Department worked steadily with Bittrex to address continued deficiencies and to assist Bittrex in developing appropriate controls and compliance programs commensurate with the evolving nature of the sector," wrote Daniel Sangeap, deputy superintendent and deputy counsel at NYDFS.

The regulator "issued several deficiency letters" since the exchange first submitted an application, addressing Bittrex's anti-money laundering procedures, Office of Foreign Assets Control compliance and its coin listing process.

However, a number of concerns remained unaddressed, Sangeap wrote.

The letter goes into detail, saying that "Bittrex's current policies and procedures are either non-existent or inadequate," questioning the "level of authority and effectiveness of the Compliance Officer," saying it may have an inadequate training program for employees and raising a number of other issues.

Bittrex's chief compliance officer is John Roth, a former Department of Homeland Security Inspector General who's also spent time at the Department of Justice (as a special counsel for international money laundering policy) and was a member of the National Commission on Terrorist Attacks Upon the U.S. (more commonly known as the 9-11 Commission).

Bittrex CEO Bill Shihara told CoinDesk that Roth developed the exchange's compliance program.

Disputed claims

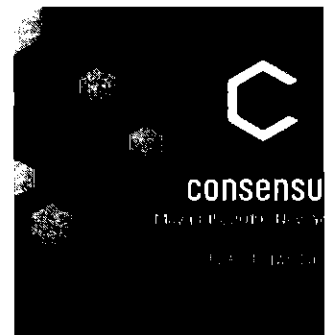


Exhibit B-2

In a statement, Bittrex disputed the regulator's findings and said it has already begun addressing many of these concerns. (Read the full statement below).

Sangeap's letter pointed to Bittrex's OFAC screening process, saying it may not be able to identify misspelled names, that its monitoring process is manual rather than automated and that the exchange's "active customer file" indicated that Bittrex processed "several transactions involving customers from OFAC sanctioned countries."

Compliance chief Roth told CoinDesk that while some residents of Iran were able to trade on the exchange in 2017 due to "an unintentional gap" in its compliance procedures, these accounts were suspended in October of that year.

"We disabled the accounts ... and immediately reported, then reported it in more detail in January 2018," he said. "No one from an OFAC sanctioned country has traded since October 2017."

Customer due diligence was another highlighted issue.

According to NYDFS, some of the accounts at Bittrex are identified by "clearly false names" such as "Elvis Presley," "Donald Duck," "Give me my money" and "abc-abc," as well as "obscene terms and phrases" (no examples were provided).

In its statement, Bittrex said NYDFS' sample came from 2017, but that the exchange has implemented more stringent customer identification processes since, going so far as to disable any accounts which do not meet its "enhanced verification standard."

Roth elaborated, saying that "none of the accounts [with bogus names] were active accounts," adding:

"They couldn't trade, they couldn't withdraw money, they couldn't engage in any economic activity because they weren't enhanced verified ... That doesn't get mentioned in the letter anywhere, that those folks never traded."

Coin diligence

One section of the letter, titled "lack of adequate due diligence in launching tokens or products," states that examiners from NYDFS were "unable to assess compliance" with the exchange's own token review policy when looking at a random sample of 15 cryptocurrencies.

"This was due to the fact that partial files were provided to the examiners, and moreover, actual compliance in certain files could not be established," Sangeap said. Some tokens were listed despite some applicants refusing to complete the necessary paperwork – "and in one case ... there was no application on file at all."

The exchange offers more than 200 cryptocurrencies to its customers, including through an OTC trading desk launched earlier this year.

In its statement Wednesday, Bittrex said NYDFS presented a supervisory agreement to the exchange which would have allowed it to offer only 10 cryptocurrencies.

According to Roth, this list included bitcoin, bitcoin cash, bitcoin cash SV, litecoin, ether, ethereum classic, Stellar lumens, cardano, XRP and dogecoin.

"This would have prohibited Bittrex from listing coins that are offered to New York residents by other BitLicensees," the statement said. "NYDFS reserved the right to order us to withdraw coins at any time. Additionally, DFS would be able to prohibit offering tokens to NY residents, even if other NY BitLicense holders were able to offer the tokens."

Shihara elaborated, saying that NYDFS "also wanted the right to control what tokens we trade with any of our U.S. customers," meaning the 49 non-NY states and the District of Columbia.

These terms were unacceptable to Bittrex, the company said, and it refused to sign the agreement.

Leaving NY

Board to be conducted by CoinDesk
File: Personal Supply Chains and Mark

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Exhibit B-2

Bittrex has 14 days to confirm to NYDFS that the exchange has ceased conducting business in New York and create a plan to wind down any existing business with state residents, according to Sangeap's letter.

The exchange will have 60 days in total to transfer any assets it custodies for New York residents and transfer any positions or transactions.

An NYDFS spokesperson told CoinDesk that there is no appeals process for the rejection, though Bittrex can reapply for a BitLicense.

Shihara told CoinDesk that the exchange was not making any profits in New York due to its high compliance costs, but the exchange operated in the state anyway "because we really felt strongly that the taxes that we paid for operating our business in the U.S. are worth it."

"[It's] difficult to say if we'll reapply for the BitLicense," he added, but if NYDFS updates its regulatory framework to match how quickly the technology changes, he hopes to bring Bittrex back to the state.

In the meantime, Roth noted, Bittrex will develop internal controls to prevent any NY residents from using the exchange.

"We don't know what those are yet but we'll have to do something," he said.

Read Bittrex's full statement:

[Bittrex Statement](#) by [CoinDesk](#) on Scribd

UPDATE (April 10, 21:25 UTC): This article has been updated with additional information, a statement from Bittrex and comments from two Bittrex execs.

Image of Kiran Raj, Chief Strategy Officer at Bittrex, via CoinDesk archives

Exhibit B-3

↻ Bittrex Retweeted



CoinDesk @coindesk · Apr 10

UPDATE: @BittrexExchange execs tell CoinDesk that @NYDFS wanted to control what tokens the exchange could trade with non-New York customers.
Comments added to story.

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JUST IN: @NYDFS has rejected @BittrexExchange's application for a BitLicense, citing "inadequate" AML compliance among other reasons.
[ow.ly/ISwH50pLdtf](https://www.ow.ly/ISwH50pLdtf) @nikhileshde reports

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Bittrex International @BittrexIntl · Apr 11

New Market Update: The USDT-ONT market on bittrex.com is now open for trading. For more information about Ontology (ONT) visit: ont.io
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Under-fire crypto exchange Bittrex is hiring 2 ex-government security officials and a former Amazon exec

Oscar Williams-Grut Dec. 15, 2017, 3:52 AM



Former Homeland Security Inspector General John Roth has joined Bittrex. REUTERS/Yuri Gripas

- Bittrex hires two former Homeland Security officials and Amazon security chief as executives.
- Bittrex was criticised by customers over withdrawal and customer service issues.
- Business Insider has also reported on the existence of "pump and dump" scams on the exchange.

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LONDON — An under-fire US cryptocurrency exchange has hired two former top government officials and a former Amazon executive to beef up its management.

Las Vegas-registered Bittrex hired:

- **Kiran Raj as chief strategy officer:** Raj was a partner at law firm O'Melveny & Myers and was formerly the Deputy General Counsel of the Homeland Security Department. He has also worked at the Justice Department.
- **John Roth as chief compliance and ethics officer:** Roth was Inspector General of the Department of Homeland Security prior to joining Bittrex and spent 25 years at the Justice Department.
- **Jim Waschak as chief operating officer:** Waschak is a 12 year veteran of Amazon, most recently serving as director of information security for Amazon's Worldwide Consumer Organization.

The senior appointments come at a time when Bittrex is facing criticism from customers and grappling with the problem of market manipulation on its exchange.

Business Insider reported earlier this month that multiple users of the exchange were complaining they were unable to withdraw money and were left in the dark as to why. Bittrex said the withdrawal issues are down to new identity verification procedures and said they were hiring additional support staff to deal with the backlog.

Business Insider has also reported on the existence of "pump and dump" scams organised on the Bittrex exchange. A trader who claimed to organise the scams told BI he had made "hundreds of thousands" in profits and bought a Tesla. "We all use Bittrex for market manipulation," the traders told BI.

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Bittrex wrote to customers shortly after BI's first "pump and dump" story warning them against "any type of market manipulation, including pump groups."

Roth and Raj said in a joint op-ed in the Wall Street Journal on Thursday: "Everyone in this industry can do better. That includes the company we decided to join. But as blockchain technology evolves and grows, we urge U.S. regulators to move carefully and judiciously to avoid driving more innovation outside the U.S. and harming the legitimate industry players."



People are pooping more than ever on the streets of San Francisco

The pair said they "plan to work with our former government colleagues to bridge the gap between the industry and policymakers."

Bittrex CEO Bill Shihara, a former Amazon engineer, said: "Our mission is to develop the most trusted cryptocurrency exchange in the world, and we believe the breadth of experience that these individuals bring will be critical to achieving that goal."

"They will drive our enduring commitment to foster a secure and regulated trading environment that creates more opportunities for blockchain technology and the future of finance and security."

Bittrex was founded in 2014 and had a 24-hour trading volume of \$3.2 billion over its exchange as of Friday, according to CoinMarketCap.com.

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3. Series E - Sila Nan...	Sila Nanotechnologies	Series E	\$170,000,000	Apr 16, 2019
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[> IEOs Could Revive the Token Sale Industry Despite Bittrex' RAID Debacle](#)

Analysis

IEOs Could Revive the Token Sale Industry Despite Bittrex' RAID Debacle

Bittrex recently attempted to hold an 'Initial Exchange Offering' that almost resulted in a disaster.

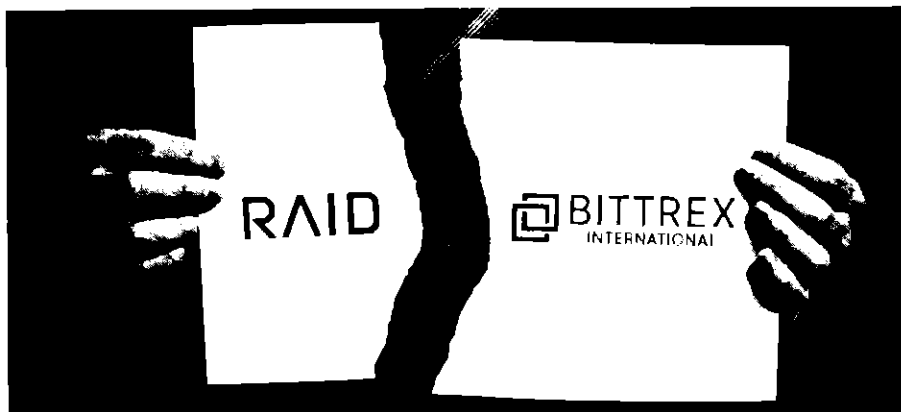


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e Industry Despite Bittrex' RAID Debacle&body=Check out this article from
 s/ieos-could-revive-tokens-bittrex-raid/)

The days of the ICO craze are over. For a brief moment in history
 (https://www.financemagnates.com/cryptocurrency/news/ethereum-
 founder-vitalik-buterin-ico-bubble/), the new fundraising method was
 pulling in unprecedented amounts of capital; hundreds of millions-
 even billions of dollars went into funding thousands of new projects,
 some of which had absolutely no technical substance.

Things have changed. A year of scams, failed projects, and hacks has
 whittled down the investor pool into a group that is much more
 skeptical, and much more aware of what can go wrong.

Discover Barcelona Trading Conference - A Top Tier Crypto Trading
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Still, there have been some efforts to pump new life into the token sale
 market. But what happens when those efforts go south?

US-based cryptocurrency exchange Bittrex made headlines earlier this
 month that it was canceling a so-called "initial exchange offering" (IEO)
 less than 24 hours before the offering was set to begin. The IEO was
 associated with RAID, a blockchain gaming company with headquarters
 in South Korea.

| The "IEO": An Attempt to Rebrand ICOs?

Bittrex originally announced that it would be launching the IEO-the
 world's 'first-ever'-on March 11. The IEO was to be conducted similarly
 to an ICO (initial coin offering), but with Bittrex as the hosting
 platform. Allegedly, the fact that IEOs are held on established
 cryptocurrency exchanges could reduce the risk associated with buying
 into an ICO that is hosted by the project itself.

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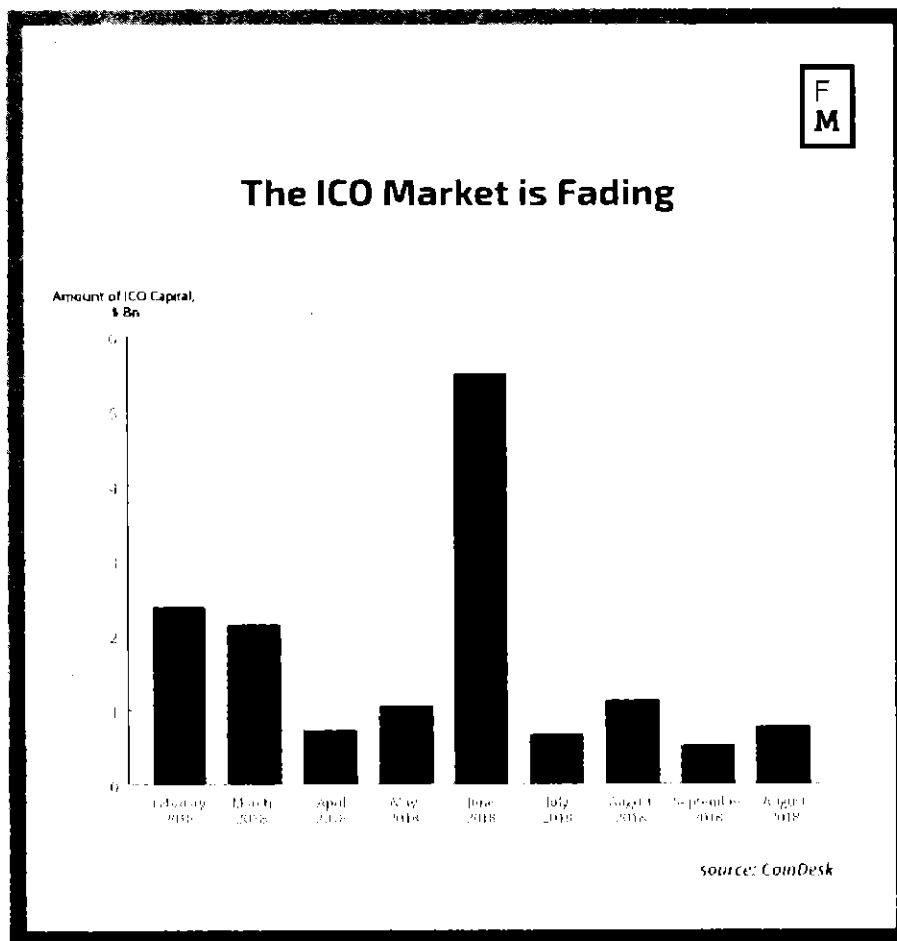
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"In the early ICO days

(<https://www.financemagnates.com/cryptocurrency/news/cryptocurrencynewsanalysis-its-in-the-numbers-the-ico-market-is-cooling-off/>), sellers simply built a website, posted a wallet address and started the countdown clock. It didn't take long for hackers to exploit vulnerabilities," wrote Jeff Koyen, publisher of token sale evaluation site ICO Ranker, in an email to Finance Magnates. "Then along came vendors like ICOBox, offering turnkey token sale services, including end-to-end security. But even this was never foolproof. Hackers gonna hack."

On the other hand, By hosting a token sale on a major exchange, you're outsourcing security to someone who's probably much better at it," Koyen continued.

"If You Broke Into Fort Knox, Would You Steal the TVs?"

"Think of it this way — Binance and Bittrex, to name two, already hold untold fortunes in crypto. If hackers can compromise the exchange wallets or its user accounts, they're going siphon off billions in BTC before worrying about a couple million from an IEO. If you could break into Fort Knox, would you steal the TVs?"



(<https://icoranker.com/>)

Jeff Koyen, Publisher at
ICORanker.com.

"IEOs aren't bulletproof. Nothing's bulletproof in crypto. Exchanges get hacked, and centralized token sales are anathema to crypto OGs for good reason. As the saying goes — not your keys, not your bitcoin. But I still think IEOs can play an important role in crypto's wider adoption and the reinvigoration of public-facing token sales."

And indeed, the idea that this re-branding of a traditional token sale could stir some interest (and some capital) in a stagnant token sale market has been circulating around the cryptosphere.

"Speaking as someone who misses the wild ICOs days, I like IEOs. They have a bright, interesting and quite possibly very brief future," Koyen quipped.

Indeed, the IEO concept could be nothing more than a fleeting moment in token sale history. "That's how crypto works. It's a Gibsonian experiment in accelerated Darwinism — forever adapting, often on-the-fly, to remain defiantly independent of federal regulators and other central agencies. Of course, skeptics decry the centralized aspects of IEOs."

"Still, I get more excited about IEOs than STOs, which have become boring vehicles for VCs and other unimaginative investors."

Even if the IEO concept's fresh take on token sales does provide some new and attractive features, the RAID debacle may have cast a long shadow over the practice. Here's what happened.

| For a Brief, Shining Moment, Everything Was OK

Following Bittrex' announcement of the IEO, RAID delivered 17 billion XRD (its native token) to Bittrex with the goal of raising \$5.95 million. A single XRD token was to be sold for 10 Satoshis (a 'Satoshi' is one hundred millionth of a single bitcoin); the minimum buy-in for the sale was the equivalent of \$10, and the maximum was \$20,000.

The sale was all set to begin

(<https://www.financemagnates.com/cryptocurrency/news/bittrex-international-to-debut-token-sale-with-xrd/>) on March 15, 2019, at 10.00 KST time. Bittrex' CEO, Bill Shihara, expressed his enthusiasm for the sale: "We are committed to increasing adoption and moving the blockchain revolution forward. The ability for projects like RAID to innovate, advance, and promote the gaming industry on our platform is a game changer for all involved and not just for RAID and our team," he said in an official statement (<https://bittrex.zendesk.com/hc/en-us/articles/360024869492-Bittrex-International-to-Host-RAID-Token-Initial-Exchange-Offering->).

Page 5 of 12

The publication said that although the legal announcement by Bittrex said that XRD tokens would be issued by a company called "ONERAID PTE. LTD", no company was registered with that name in Singapore—in fact, there were virtually no traces of the company besides its website: no associated LinkedIn accounts, no nothing.

Further, all 6 of the employees listed on Raid's website were from South Korea. "Do they think it's legit that non-existent Singapore company already sells tokens and raises funds using Singapore as a brand and yet there is no evidence that a single Singaporean is employed in a non-existent Singapore entity?", the CoinSpeaker report asked.

Bittrex: "When we become aware of significant events, we respond quickly to protect our users."

Bittrex was quick to explain the cancellation as the best possible course of action given the circumstances.

"Trust and integrity are the most valuable assets of Bittrex International," the exchange wrote in an official statement regarding the cancellation. "A few hours ago, OP.GG terminated its strategic partnership with RAID, which was a vital part of the RAID project. When Bittrex International became aware of this significant event, we did not feel that it was in the best interest of our customers to move forward with the IEO."

"One of the hardest challenges we face in advancing blockchain adoption is to avoid the rampant fear, uncertainty, and doubt that is everywhere in this industry," the statement continued. "When we become aware of significant events, we respond quickly to protect our users."

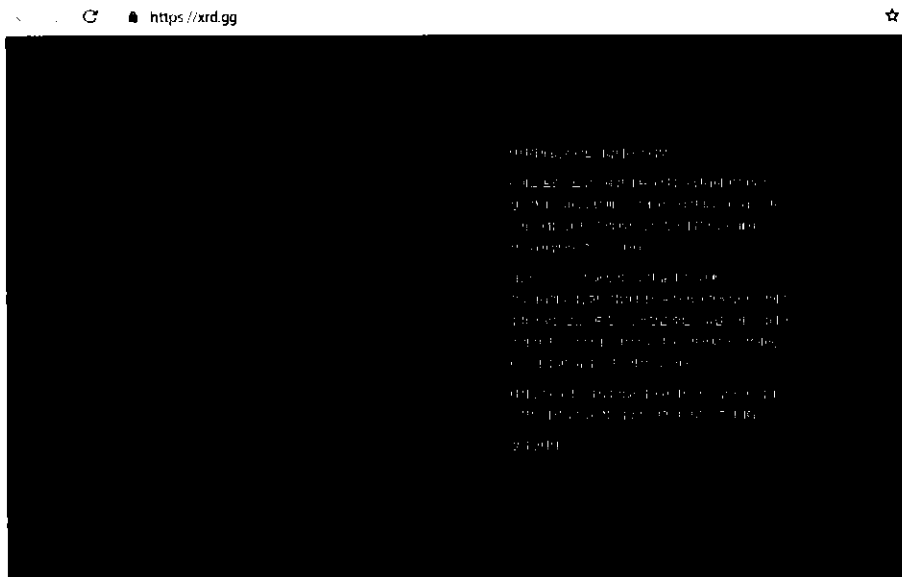
Bittrex also posted a statement explaining its selection process for the IEO projects it will host.

Bittrex IEO Cancellation Announcement

[비트렉스 IEO 중단 공지] 레이드 프로젝트 팀은 예상치 못한 변수로 인하여 3월 15일 진행하기로 되어 있던 비트렉스 IEO를 예정대로 진행하는 것이 옳지 않다고 판단하여, IEO를 취소합니다.
medium.com

See RAID_Official's other Tweets

However, the project's social media has stayed silent in the time since the cancellation of the IEO. Additionally, the desktop version of the site has gone offline, replaced by the following message:



(Translated quote (Google Translate): *"The RAID project team decided that it was not right to proceed with the Bittrex IEO due to unexpected variables, and decided not to proceed with the IEO after consulting with BitRex. In order to minimize the damage of users who have invested in RAID in the past, we will carry out all necessary procedures as soon as possible for all those who participated in our project. A related announcement will be made on the 15th. I apologize to all those who have once again expressed an interest and have expressed love for our project. Thank you."*)

Indeed, to its credit, RAID does not seem to have pulled a *complete* exit scam—at least, not yet.

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Poloniex Supports New Tron-based Version of Tether
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Crypto Journal

Bittrex International, based out of Malta, is live

Philipp Traugott · November 1, 2018 · no comments

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Bittrex is 40th largest crypto exchange by volume, according to the CMC ranks. They plan to boost those rankings and ramp up more volume by opening an international digital asset exchange, licensed by Malta financial authorities.

Bittrex International is a new digital asset exchange for the international customers, and now, the platform is live with three new tokens ready for trading!

“ For example, starting today, Bittrex International customers have access to the following tokens not available on Bittrex.com: Mossland (MOC), Pundi X (NPXS), and Zilliqa (ZIL). And, there's more to come — we're planning to have a steady drumbeat of new tokens moving forward.

The new platform provides a streamlined token listing process as a result of the regulatory certainty provided by the Malta Virtual Financial Assets (VFA) Act.

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What You Need to Know



Most important thing to know: all of your account information (balances, transactions, etc.) will transfer over without requiring you to take any additional action.

If you are from outside of US, you will be redirected to the international.bittrex.com website and as soon as you're on the new site, simply use your current Bittrex.com credentials, and you will be prompted to agree to the Bittrex International Terms of Service and Privacy Policy. Once you do that, "you'll not only have access to everything you did on Bittrex.com (tokens, trading pairs, and wallets), but you'll also have access to the markets only available on the new, international platform."

The platform is not charging listing fees which makes it a hot commodity among token teams, who are lining up to get listed. Before doing so, Bittrex recommends token teams to read the listing blog and apply today


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Initial Exchange Offering: VeriBlock



Communications Team

March 20, 2019 14:38

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Initial Exchange Offering: VeriBlock

VeriBlock (VBK) Initial Exchange Offering Details

Fully verified Bittrex International users can participate in the VeriBlock Initial Exchange Offering (IEO) beginning at 9:00am PDT (4:00pm UTC) on Tuesday, April 2nd.

VeriBlock and its novel Proof-of-Proof ("PoP") consensus protocol is the first and only technology in the world to allow any blockchain to inherit Bitcoin's unprecedented thermodynamic Proof-of-Work security in an entirely Decentralized, Trustless, Transparent, and Permissionless ("DTTP") manner. Since September of 2018, thousands of PoP miners in over 50 countries have successfully done more than 6,000,000 PoP transactions to Bitcoin, accounting for nearly half of all Bitcoin transactions at peak. Over the past four years, the VeriBlock project has attracted strategic investors, partners, and advisors including Bittrex CEO Bill Shihara, Bloq Co-Founder and

Articles in this section

Initial Exchange Offering: Ocean Protocol

Initial Exchange Offering: VeriBlock

Participate in VBK Initial Exchange Offering on Bittrex OTC

Chairman Matthew Roszak, Bloq Co-Founder and Former Bitcoin Core Developer Jeff Garzik, Ethereum and Decentral Co-Founder Anthony Di Iorio, and Fenbushi Capital General Partner Bo Shen. Additional details about the VeriBlock project can be found here:

<https://www.veriblock.org>



New customers can sign-up at <https://international.bittrex.com>. For individual accounts, there is a 100 VBK (approximately \$10 USD) minimum purchase amount and a 200,000 VBK (approximately \$20,000 USD) maximum purchase amount. In the IEO, each VBK coin will be offered for approximately \$0.10 USD (the price per VBK coin will be set in BTC within 24 hours of the start of the IEO). The amount of coins sold during the IEO, assuming the maximum sale amount is reached, will represent 24.7% of the initial circulating supply. VBK coins have been mined and will be sold in the IEO by Xenios SEZC, a Cayman special economic zone company. Additional details can be found below.

Want to participate in the VBK IEO on Bittrex International? Here are the details:
[https://international.bittrex.com/Market/Index?](https://international.bittrex.com/Market/Index?MarketName=BTC-VBK)
 MarketName=BTC-VBK

Coin Sale Start Time	April 2, 2019 at 9am PDT/ 4pm UTC
Coin Sale End Time	When BI Sale Supply is reached or at the set time of April 5, 2019 at 9am PDT / 4pm UTC
Bittrex International Sale Supply	70,000,000 VBK
Total Coin Supply	2,100,000,000 VBK

Initial Circulating Supply	283,000,000 VBK
Coin Sale Price	~\$0.10 USD (The price per VBK coin will be set in BTC within 24 hours of the start of the IEO)
PerAccountMaximum Purchase Amount	200,000 VBK ~\$20,000 USD (The price per VBK coin will be set in BTC within 24 hours of the start of the IEO)
PerAccountMinimum Purchase Amount	100 VBK ~\$10 USD (The price per VBK coin will be set in BTC within 24 hours of the start of the IEO)
Currencies accepted	BTC
Coin Type	Mainnet Blockchain Coin
Coin Distribution	Delivery on April 5, after IEO sale ends.

Customers who wish to purchase more than the maximum number of tokens may purchase tokens through the Bittrex OTC Trading Desk. The minimum purchase amount on the Bittrex OTC Trading Desk will be approximately USD\$100,000. VBK sold through the Bittrex OTC Trading Desk may be sold at a lower cost per token than the public sale and are subject to additional terms and conditions, including trading lock-up. Here is more information to participate in VBK Initial Exchange Offering on Bittrex OTC <https://bittrex.zendesk.com/hc/en-us/articles/360025529232>.

Information for the Bittrex OTC Trading desk, including how to request OTC trading approval, can be found

here: <https://bittrex.zendesk.com/hc/en-us/articles/360001474763-Trade-Digital-Assets-on-Bittrex-OTC>.

Disclaimer: Bill Shihara, CEO of Bittrex, serves as an advisor to the VeriBlock coin project. As a result, Bittrex holds a customary minority equity position in an affiliate of the sponsor of the VBK Coin Initial Exchange Offering, and will indirectly benefit from the successful completion of the Initial Exchange Offering.

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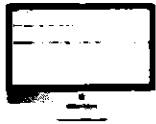


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Bittrex Launches First IEO: "Initial Exchange Offering," \$6M Token Sale for RAID Token



Priyeshu Garg · Mar 12, 2019 · 2 min read



Bittrex International, a US-based cryptocurrency exchange headquartered in Seattle, announced that it

will be hosting the first Initial Exchange Offering (IEO).

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company's **official blog post**, the hard cap for the IEO is 17 billion XRD, with the company aiming to raise around \$6 million.

Bittrex To Host First Ever Initial Exchange Offering

The current bearish market is forcing blockchain and crypto companies to adapt to a hostile market environment by coming up with new ways to raise both money and awareness.

Following in the footsteps of **Binance's Launchpad**, Bittrex International, the global arm of US-based crypto exchange Bittrex, has announced that it will be hosting an Initial Exchange Offering (IEO) later this week.

Unlike a traditional Initial Coin Offering (ICO), where the company or developers mint new tokens to get direct contributions from customers, an IEO has a cryptocurrency exchange function as the counter-party. This allows new companies to tap into the user base of exchange and reach a wider audience, as well as ensure transparency and prevent scams.

According to the official announcement published on Mar. 11, Bittrex International will host the IEO of RAID's XRD token. The initial exchange

offering will be used by RAID, a South Korean gaming data blockchain project, to **develop new technologies** that reward gamers for sharing data that fosters improvements, Bittrex said in its release.

IEO, a Big Step Both for Bittrex and RAID

Bittrex's IEO is scheduled to start at 10:00 am KST on Mar. 15th and will have a hard cap of 17 billion XRD. If the hard cap is reached, the 17 billion coins will represent 17 percent of XRD's total supply, raising the company roughly \$6 million. All of the tokens will be issued by ONERAID, a Singaporean Company, the company **said** in the release.

Taesung Kim, one of the founders of RAID, said that having the company's IEO be the first of its kind on Bittrex was a "tremendous honor," adding that the company viewed this as a vote of confidence in their vision.

Bill Shihara of Bittrex International was equally optimistic about the project, saying that the exchange was committed to increasing adoption and moving the blockchain revolution forward. He added that this represents an important development for their clients.

"Now our international users have direct access to blockchain projects with the peace of mind that

Exhibit G-1



Laura Ventoso <lauraventoso@gmail.com>

[Bittrex Support] Re: Bittrex Fiat (USD) Trading Request Approved

Bittrex Support <support@bittrex.zendesk.com>

Fri, Jul 6, 2018 at 8:49 PM

Reply-To: Bittrex Support <support+id1429169@bittrex.zendesk.com>

To: Lauraventoso <lauraventoso@gmail.com>

/// Please type your reply above this line. ///

Your request (1429169) has been updated. To add additional comments, reply to this email.

Ticket: <https://support.bittrex.com/hc/requests/1429169>

Corporate Accounts (Bittrex Support)

Jul 6, 17:49 PDT



BITTREX

Bittrex Fiat (USD) Trading, Deposits, and Withdrawals Personal Account Request Approved

Congratulations, your request to enable your Bittrex account(s) for USD trading, USD deposits, and USD withdrawals for Laura Ventoso has been approved!

- Your privileges will be live within 1 business day, you can deposit USD via wire today
- Bittrex account(s) enabled for fiat (USD) trading: **lauraventoso@gmail.com**
- You can trade in any USD markets Bittrex supports today and in the future
- Your account(s) is fully enabled for **USD trading, USD deposits, and USD withdrawals**
- Personal accounts have a **\$1,000 minimum deposit amount** per wire transfer
- Follow Bittrex on Twitter for new market announcements (crypto and USD) as well as new US states that qualify for fiat (US Dollar) trading: <https://twitter.com/BittrexExchange>

Your approved whitelisted bank account details:

Exhibit G-1

- Your Whitelisted Bank 1 Name: **Bank Of America**
- Your Whitelisted Bank 1 Routing/Swift: **021000322**
- Your Whitelisted Bank 1 Account Number: **483040860364**
- Your Whitelisted Bank 1 Beneficiary Name: **Maria Laura Ventoso**

- Your Whitelisted Bank 2 Name: **null**
- Your Whitelisted Bank 2 Routing/Swift: **null**
- Your Whitelisted Bank 2 Account Number: **null**
- Your Whitelisted Bank 2 Beneficiary Name: **null**

Confirm the above information is accurate and check all your banking details by clicking the red "withdraw" button from the USD wallet within your Bittrex account. **Deposits from non-whitelisted bank accounts will be automatically returned.** You can only deposit from, and withdraw to, whitelisted bank accounts approved by Bittrex.

How to deposit via wire transfer (deposit codes and wire transfer instructions):

1. Sign in to your Bittrex account and click "Wallets" on the top right
2. Search for "US Dollar" from the list of wallets
3. Click on the green circle and down arrow image with hover label "Make deposit"
4. Your **deposit code** will appear. Copy this code
5. Send wire using instructions below with your **deposit code** added to the "notes" field

Wire transfer deposit instructions:**Domestic wire deposits (sending from inside the US):**

- Beneficiary Name: Bittrex Inc
- Beneficiary Address:
800 5TH AVE, SUITE 4100
SEATTLE WA 98104-3100
- Account number: **5090007518**
- Notes: **ENTER YOUR DEPOSIT CODE**
- Bank Routing/ABA number: **322286803**
- Bank Name: Silvergate Bank

4250 Executive Square, Suite 300
La Jolla, CA 92037

Exhibit G-1

Additional instructions for international wire deposits (sending from outside the US):

- Intermediary Bank SWIFT Code: PCBBUS66
- Intermediary Bank ABA Number: 121042484
- Intermediary Bank Name: Pacific Coast Bankers' Bank
- Intermediary Bank Address: Walnut Creek, CA 94596

Bittrex is committed to next-US-business-day deposits and withdrawals for personal accounts (personal account per wire deposit minimum is \$1,000)

- **Deposits:** credited by next-US-business-day funds are settled in Silvergate*
- **Withdrawals:** sent by next-US-business-day for requests made by 9AM PT*
- **Deposit minimum:** Deposits less than \$1,000 per wire will be automatically returned
- **Deposit maximum:** No USD deposit maximum
- **Withdrawal minimum:** No USD withdrawal minimum
- **Withdrawal maximum:** 100 BTC daily equivalent value in USD
- Bittrex will not charge USD deposit or withdrawal fees
- Withdrawals must be initiated from your USD wallet within your Bittrex account
- *Unless unique circumstances or technical anomalies occur. Bittrex reserves the right to limit withdrawal request minimum size and frequency on a per account basis

Sign in to support.bittrex.com and click on "my activities" to access this in the future.

Thank you and Happy Trading!

Best Regards,

Corporate Accounts @ Bittrex

Follow us on Twitter @ <https://twitter.com/BittrexExchange>

BITTREX

Existing Bittrex Customer Fiat (USD) Trading Request Received

Thank You For Your US Dollar Trading Request

- Bittrex support will respond to your request within 7 business days
- USD trading is now available for both **personal and corporate accounts**
- Only customers with operating location **outside the United States** or inside the United States in **CA, WA, NY, or MT** currently qualify for USD trading. We cannot approve accounts located in any other US state at this time but we will add more states soon.
- You will receive email confirmation upon approval with more information. If you requested USD deposits and withdrawals in addition to USD trading, your confirmation email **will include wire transfer instructions**
- If you are only adding a whitelisted bank account, you will receive confirmation when that bank account has been added to your account
- Follow Bittrex on Twitter for new market announcements (crypto and USD) as well as new US states that qualify for fiat (US Dollar) trading: <https://twitter.com/BittrexExchange>

API Integration Updates

- Please note that we have updated our API with the release of our new site
- For those accessing Bittrex via API, visit <https://bittrex.github.io/> for recent updates regarding our Websocket. Please bookmark, as future API (REST and Websocket) documentation and best practices will be posted to that site.
- If you are not already a member of our #api-developers Slack channel, please search for that channel in our Slack or email corpcare@bittrex.com to receive an invitation to the Bittrex Slack (if you are not already a member). Corporate accounts and high volume personal accounts can receive an invitation. Our developer

community is growing as we actively improve the API experience.

Future Support Requests

- **Submit a support requests and view support articles and blog here:**
<https://support.bittrex.com/>
- **Sign in to support.bittrex.com and click on "my activities" to reference this ticket**
<https://support.bittrex.com/hc/en-us/signin>

Thank you and Happy Trading!

Best Regards,

Corporate Accounts @ Bittrex

Follow us on Twitter @ <https://twitter.com/BittrexExchange>

Lauraventoso

Jul 6, 09:04 PM ET

Fiat Trading Request and Crypto

Attachment(s)

eStmt_2018-06-19 (1).pdf

Account Details Print Friendly.pdf

This email is a service from Bittrex Support. Delivered by **Zendesk**

Exhibit G-2



Laura Ventoso <lauraventoso@gmail.com>

Your Same Day wire transfer was successfully sent

Online Transfers from Bank of America

Thu, Jul 12, 2018 at 1:52 PM

<bankofamericatransfers@mail.transfers.bankofamerica.com>

Reply-To: Online Transfers from Bank of America <bankofamericatransfers@mail.transfers.bankofamerica.com>

To: lauraventoso@gmail.com

We have successfully sent the following transfer:

Item #: 236415514
Amount: \$120,000.00
To: Bittrex, INC
Fee: 30.00
Send on Date: 07/12/2018
Service: Same Day

If there is a problem with executing your request, we will notify you both by email and on the Manage Accounts tab. You can always check your transfer status on the Review Transfer screen at www.bankofamerica.com.

Sincerely,

Member Service

www.bankofamerica.com

This is a service email from Bank of America. Please note that you may receive service emails in accordance with your Bank of America service agreements, whether or not you elect to receive promotional email.

Read our privacy policy: <http://www.bankofamerica.com/privacy>

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Bank of America Email, 8th Floor-NC1-002-08-25, 101 South Tryon St., Charlotte, NC 28255-0001

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This email was sent to: lauraventoso@gmail.com